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PART I—Section 1

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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 2nd July, 1955.

No. 8(1)TB/55.—The Tariff Commission has submitted its report on the continuance of protection to the Titanium Dioxide industry beyond 31st December 1955, on the basis of an enquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the titanium dioxide industry should be continued up to the 31st December, 1957 by levying protective duty at the existing rates, namely, 25-1/5 per cent. *ad valorem* plus one-fourth of the total duty for products of British manufacture and 35-1/5 per cent. *ad valorem* plus one-fourth of the total duty for products of non-British manufacture.
- (2) The Travancore Titanium Products Ltd., should be permitted during the period of continuance of protection to restrict its production to the anatase type alone, and the country's needs of rutile pigment should be met from imports.
- (3) Until such time as the Travancore Titanium Products Ltd., are not in a position to manufacture rutile type of pigment, imports of this material should be carefully regulated and permitted only to the extent of actual requirements of the consumers.
- (4) Government should give their attention to the question of securing general acceptance of the practice of sale of paints by volume instead of by weight and examine the feasibility of undertaking legislation to this effect.

- (5) If the technical investigation of the financial effects of installing a 25 ton sulphuric acid plant at the factory of Travancore Titanium Products Ltd., shows that installation of such a plant would ultimately result in reducing the cost of production of titanium dioxide appreciably, the Government of India should, in consultation with the Travancore-Cochin State Government, consider the feasibility of providing the requisite finance to Travancore Titanium Products Ltd., for the installation of a 25 ton sulphuric acid plant at their own factory.
- (6) *Ad hoc* licences to actual users of lithopone should be carefully screened and the tendency to use lithopone extensively, discouraged.
- (7) Statistics of imports of titanium dioxide should be maintained separately for rutile and anatase types of pigments.
- (8) The Travancore-Cochin State Government should render assistance to the Company to eliminate delays in the transport of sulphuric acid due to congestion in the canal from Alwaye to Trivandrum.
- (9) Ilmenite sands which are owned by Government should be made available to Travancore Titanium Products Ltd., after recovering the "basic charge" of Rs. 14.77 only per ton.
- (10) During the period of protection the Travancore Titanium Products Ltd., should strengthen their financial position by wiping out their losses, by repaying a part of the loan taken from the Industrial Finance Corporation together with interest thereon, and by building up reserves.

2. Government accept the Commission's recommendation regarding extension of the period of protection up to the 31st December, 1957, and steps will be taken to implement this recommendation in due course. As regards the quantum of tariff protection, it has been decided, with the concurrence of the Commission, that the protective rates of duty on titanium dioxide should be fixed at 44 per cent. *ad valorem* (standard) and 34 per cent. *ad valorem* (preferential) and that the items should be exempted from surcharge. The necessary notifications have been issued today.

3. They also accept recommendation (7) and will take suitable steps to implement it.

4. As regards recommendation (2), Government recognize that since with the present plant and machinery, simultaneous production of both anatase and rutile types of pigments is not feasible, some loss of capacity is inevitable from alternate production. This would be wasteful. At the same time it may not in all circumstances be desirable for the country to depend entirely on imports for rutile pigments, or for the industry to count on exports of the anatase type. The Travancore Titanium Products Ltd., should therefore keep the position under periodic review in consultation with the Government.

5. Government have noted recommendations (3), (4), (5) and (6).
6. The attention of the Travancore-Cochin State Government and the Travancore Titanium Products Ltd., is invited to recommendations (8) to (10).

NOTIFICATION

TARIFFS

New Delhi, the 2nd July 1955.

No. 8(1)TB/55.—Whereas the Central Government is satisfied after due inquiry that the duty chargeable under the Indian Tariff Act, 1934 (XXXII of 1934) in respect of the article specified in Item No. 30(14) of the First Schedule to the said Act, and characterised as protective in the third column thereof, has become ineffective for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India;

NOW, THEREFORE, in exercise of the powers conferred by subsection (1) of Section 4 of the said Act, as in force in India and as applied to the State of Pondicherry, the Central Government hereby increases, with effect from the 2nd July, 1955, the duty of customs on the said article so that the duty chargeable shall from the said date be as specified in column (3) of the table annexed hereto.

THE TABLE

Item No. of Tariff	Name of Article	Rate of duty
(1)	(2)	(3)
30(14)	Titanium Dioxide—	
	(a) of British manufacture .	34% <i>ad valorem</i>
	(b) not of British manufacture	44% <i>ad valorem</i>

L. K. JHA, Jt. Secy.

